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OLL 84-2823  
6 August 1984

MEMORANDUM FOR THE RECORD

SUBJECT: Briefing for Betsy Keyes, HPSCI Staff, on  
Intelligence Community Narcotics Activities

1. On 26 July 1984, David Gries, NIO/Narcotics, briefed Betsy Keyes, HPSCI Staff, on the effort by the U.S. Intelligence Community to collect and produce intelligence on the narcotics problem. [redacted] from OLL also attended.

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2. Mr. Gries followed the outline on the attached briefing notes. He also provided Ms. Keyes with recent NIEs on narcotics, a list of the U.S. agencies and departments that are involved in the anti-drug effort, and charts illustrating intelligence production on the drug topic and resources committed to that effort. [redacted]

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4. Ms. Keyes expressed satisfaction with the information provided in the briefing and the suggestion that we will assist her in her further study of the drug problem. [redacted]

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[redacted]  
Liaison Division  
Office of Legislative Liaison

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Attachment:  
As stated

[redacted]  
Chief, Liaison Division/OLL

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WASHINGTON TIMES  
17 July 1984

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# Sandinistas, cocaine traffic in U.S. linked

By Edmond Jacoby  
THE WASHINGTON TIMES

Key members of Nicaragua's Marxist military junta have been linked to cocaine smuggling into the United States, according to U.S. sources here.

The connection was provided to U.S. drug enforcement officials by a pilot who told the officials he flew two shipments of drugs from Nicaragua to a secret destination in Florida. In the process, the pilot was shot down by the Nicaraguans themselves in a "Keystone Kops" mixup.

His information was corroborated in part by U.S. surveillance mechanisms.

As outlined to The Washington Times, the reported Nicaraguan connection is a byproduct of efforts to snare three of Colombia's top drug traffickers.

According to sources, a number of highly placed Nicaraguan government officials actively participated in the drug smuggling operation, including Defense Minister Humberto Ortega, one of the nine members of the ruling Sandinista junta and the brother of junta leader Daniel Ortega, and Interior Minister Tomas Borge Martinez.

While sources would not say how long Nicaragua had been involved in alleged smuggling operations, they provided an account of a smuggling operation last month based on the independently corroborated account of the pilot.

The pilot, said to be a Drug Enforcement Administration informant or operative, was recruited by the Sandinistas this spring and given money to buy an airplane for drug smuggling, the sources said.

After buying the airplane, they said, he flew it to Nicaragua, where he landed at a remote airstrip.

Inexplicably, he was arrested immediately by the local Nicaraguan militia.

He was released and given fuel to continue his flight, sources said, only after the militia commander spoke with Mr. Borge's "right-hand man."

Upon his arrival at Managua's Sandino airport, he parked the airplane in the area reserved for military and official aircraft, the sources said.

A civilian aircraft can only be parked in the military area at Sandino Airport with the approval of the defense minister — Humberto Ortega — U.S. authorities said.

The pilot left the airport and later returned in a limousine with Mr. Borge's "right-hand man" and a shipment of Colombian cocaine. Together the two men transferred the cocaine to the airplane, the sources said.

It is at this point that the pilot's account as told to DEA officials was authenticated by an independent government agency, other sources told the Times.

Unaware of what was going on, that agency observed the civilian airplane and the limousine at the "wrong place" at Sandino Airport, and reported it as an unusual activity, they said.

In what was described by some sources as a misadventure and by others as an example of the enmity between the defense and interior

ministers, the airplane was shot down by "Sandinista enthusiasts" shortly after taking off from the airport. The pilot and his cargo were unharmed.

Mr. Borge's "right-hand man" gave the pilot more money and sent him to buy another airplane, the sources told the Times, with which he completed the smuggling flight last month.

A second flight also took place, and the pilot was to have flown a 1,500-pound shipment of cocaine to Florida this week, but was pulled out of Nicaragua by DEA when it appeared likely news stories would disclose to the Sandinistas his relationship to U.S. authorities.

Sources said it would be impossible for Mr. Borge to act alone as a transshipper of narcotics between Colombia and the United States. At the same time, they said, Mr. Borge has been vying for power with Humberto Ortega, who controls the military parking area at Sandino

Airport, leading them to believe the two would not cooperate under ordinary circumstances.

Instead, intelligence analysts here conclude the entire junta imposed a truce between the two men to facilitate the activity.

The evidence linking the junta through Mr. Borge with drugs smuggled into the U.S. was a closely held secret while discussions were held between DEA and the White House.

DEA is using evidence gathered from the flights to seek indictments against Colombian congressman Pablo Escobar Gaviria and two accomplices, one of them Fabio Restrepo Ochoa, who was implicated in cocaine trafficking by a \$1 million receipt found during a raid on a Colombian jungle narcotics factory in March.

The two Colombians, and a third whose name has not been disclosed by government officials, were identified as the original shippers of the

drugs flown to Florida from Managua.

The White House, on the other hand, has wanted to release information about Nicaraguan complicity in the activity, and perhaps seek indictments of members of the Nicaraguan junta, to substantiate its long-standing claim the Sandinistas dabble in drug smuggling to bring in hard currency with which to pay for their growing military operations at a time of economic decline in Nicaragua.

The drug smuggling operation was disclosed June 29 by Gen. Paul Gorman, commander of the U.S. Southern Military Command, in remarks to the San Salvador Chamber of Commerce, although the story was successfully kept out of U.S. media. Junta leader Daniel Ortega commented the next day that Gen. Gorman's remarks were "not the first time the United States has resorted to defamatory campaigns of this type."

18 July 1984

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## U.S. Officials Link Sandinista Chiefs to Cocaine Traffic

By RONALD J. OSTROW  
and DOYLE McMANUS,  
Times Staff Writers

WASHINGTON—High-ranking members of the Nicaraguan government have been linked to a drug-smuggling scheme involving three of Colombia's largest cocaine traffickers, U.S. intelligence sources said Tuesday.

Among the officials that the sources said are implicated are Interior Minister Tomas Borge and Defense Minister Humberto Ortega, the brother of chief of state Daniel Ortega. Their names surfaced during a major Drug Enforcement Administration investigation of the Colombian traffickers.

As evidence of the Nicaraguan connection, government officials cited high-resolution satellite photographs of a plane being loaded with cocaine at the airport in Managua, the Nicaraguan capital, and information supplied by the plane's pilot, a DEA informant.

While Administration officials said Tuesday that intelligence reports directly implicated Borge and Ortega, they refused to divulge further details to buttress their accounts.

The officials said they could only speculate on the motives the Nicaraguan leaders' would have for involvement in the smuggling operation. Some theorized that it may have been meant to earn foreign exchange for Nicaragua, whose economy has been drained by the expense of fighting CIA-backed rebels. The U.S. officials also said the scheme could have been designed simply for personal enrichment.

Word of the alleged Nicaraguan connection to the drug smuggling scheme began to surface in the United States last week, forcing the DEA to hastily withdraw the pilot-informant from Central America last weekend. Earlier, Gen. Paul F. Gorman, commander of the U.S. Southern Military Command in Panama, had charged in a speech that the Nicaraguan leadership was involved in drug smuggling.

"We just barely got the guy out of there," one official said of its

informant. DEA supervisors and others involved in the investigation met in Miami Tuesday in an attempt to salvage the inquiry.

Sources said that word of the Nicaraguan officials' role in the drug smuggling first came to the U.S. drug agency's attention through the pilot, who U.S. officials said was recruited by the Sandinistas earlier this year and given money to buy an airplane for the operation. They would not further identify the pilot or say whether he had been an informant before the Nicaraguans recruited him.

The pilot flew to Managua and taxied to an area of the airport normally used only for military and official planes, government sources said. The sources maintained that Defense Minister Ortega's approval would normally be needed for such an operation.

The pilot told U.S. officials that a top assistant to Borge met him there and led him to a shipment of Colombian cocaine, which the two men loaded onto the aircraft. The size of the shipment could not be determined, although U.S. officials called it "substantial."

Satellite photographs of the airport analyzed by the CIA corroborated both the pilot's account of where he had parked his plane and how the aircraft had been loaded from a limousine used by Borge's aide, government sources said.

The pilot took off in the plane but was forced to land when the aircraft was hit by ground fire of uncertain origin over Nicaraguan territory, U.S. officials said. Borge's aide then gave the pilot more money to buy another aircraft, which he used last month to smuggle the cocaine to an undisclosed destination in the United States, they said.

U.S. sources said another flight had been planned for this month but that the operation was aborted when word of the smuggling scheme began to leak out.

Ortega and Borge are two of the most powerful members of the nine-man directorate of the Sandinista Front, Nicaragua's ruling leftist party.

Borge, 55, is the chief of the front's hard-line Marxist faction and the most senior of its members. As interior minister, he is in charge of the regime's secret police force.

Ortega was the chief military strategist in the final guerrilla offensive that overthrew the dictatorship of Anastasio Somoza in 1979.

The prime targets of the DEA investigation are understood to be three Colombians: congressman Pablo Escobar Gaviria, Fabio Restrepo Ochoa and Jose Lehder. They are considered by the DEA to be among the top five suspected Colombian cocaine traffickers.

Investigators had hoped to apprehend the three either in Florida or in a third country, possibly Bolivia, the sources said. U.S. officials said a federal grand jury may still be asked to return an indictment against the Colombians.

WASHINGTON TIMES  
26 July 1984

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## Pakistanis are closer to producing nuclear weapon

By Russell Warren Howe  
THE WASHINGTON TIMES

Pakistan is secretly producing weapons-grade nuclear material at its Kahuta uranium enrichment facility, a senior administration official dealing with nuclear non-proliferation told The Washington Times yesterday.

The official said this conclusion is based on documents in the possession of U.S. authorities.

A diplomatic source said he had learned that an intelligence briefing given to members of the U.S. Senate had indicated that additional confirmation had come from radiation samples obtained from Kahuta, but that this proof was not definitive.

Commenting on statements made by administration sources to The Times on Tuesday that Pakistan now has the capability to make nuclear weapons, another non-proliferation official said:

"We have been concerned with the Pakistani nuclear program and have expressed that concern on appropriate occasions."

A member of the State Department's legal office said that virtually all military and economic assistance to Pakistan would be halted if that country conducted a nuclear explosion.

The administration would be required by law to cut all but disaster relief and some food aid to any non-nuclear weapon country that "receives or detonates a nuclear explosive device."

The non-proliferation official declined to say if the Kahuta documents came from American or foreign intelligence. But a foreign diplomat who declined to be identified by name or country said most of the best intelligence passed on to his government came from American sources. He said his country had also supplied evidence to the United States that Pakistan had a nuclear weapons program.

An Israeli Embassy spokesman said Israel would share any information it had on Pakistani nuclear weapon development with the United States but that "we don't know at what stage the Pakistanis are."

He said Israel, which has supplied nuclear technology to South Africa and Nationalist China, both thought to be capable of producing nuclear weapons and to be processing weapons quality material, was concerned with non-proliferation "in our area."

The foreign diplomat who sought anonymity said he was convinced that "there is no doubt in anyone's mind in the U.S. administration that Pakistan is proceeding singlemindedly on a weapons-related nuclear program, on both paths — enrichment and re-processing — but concentrating on enrichment at Kahuta."

A U.S. nuclear specialist who also sought anonymity said it was possible to use weapons grade material for civil purposes, but that that would be a "pointless extravagance."

He added "the Pakistanis could argue the case on those lines, but it would not be very credible. The only question is the time it will take them to obtain the quantity of fissile material necessary for weapons and the timing of the political decision to test a device."

"They have all the technical capability and they are moving in that direction, no question."

Indian official sources expressed the fear that Pakistan would avoid U.S. sanctions by testing a weapon in China, where such a test would be difficult to distinguish from the ongoing series of Chinese tests.

Sen. Alan Cranston, D-Calif. last week called for an end to the \$3.2 billion U.S. military assistance program to Pakistan which he said could produce "at least a dozen nuclear weapons in three to five years." Sen. Cranston is not a member of the Senate Intelligence Committee but he has sought and

received intelligence briefing on Pakistan, Senate sources said.

On March 25, the Senate Foreign Relations Committee unanimously approved a Cranston resolution that would have halted U.S. assistance to Pakistan unless President Reagan certified that Pakistan had no nuclear weapon and was "not trying by overt or covert means to obtain the technology" for weapons.

After intense administration lobbying, the committee passed, 9-8, an amended version which required certification that Pakistan held no nuclear weapon and that the U.S. assistance program "would reduce significantly the risk that Pakistan will possess a nuclear explosive device."

U.S.-Pakistani relations, which hit a nadir after a bomb burned the U.S. Embassy on Nov. 21, 1979, revived swiftly because Pakistan had become the front-line state for dealing with the Soviet intervention in Afghanistan.

The director of the country's nuclear program, Dr. Abdul Qadir Khan, was sentenced by an Amsterdam court last year, in absentia, to four years imprisonment for stealing the Dutch plans used to build the Kahuta plant.